

AMENDMENTS TO LB 545

Introduced by Education.

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. Section 9-812, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 9-812 (1) All money received from the operation of
6 lottery games conducted pursuant to the State Lottery Act in
7 Nebraska shall be credited to the State Lottery Operation Trust
8 Fund, which fund is hereby created. All payments of the costs
9 of establishing and maintaining the lottery games shall be made
10 from the State Lottery Operation Cash Fund. In accordance with
11 legislative appropriations, money for payments for expenses of the
12 division shall be transferred from the State Lottery Operation
13 Trust Fund to the State Lottery Operation Cash Fund, which fund
14 is hereby created. All money necessary for the payment of lottery
15 prizes shall be transferred from the State Lottery Operation Trust
16 Fund to the State Lottery Prize Trust Fund, which fund is hereby
17 created. The amount used for the payment of lottery prizes shall
18 not be less than forty percent of the dollar amount of the lottery
19 tickets which have been sold.

20 (2) (a) Beginning October 1, 2003, and until July 1, 2009,
21 a portion of the dollar amount of the lottery tickets which have
22 been sold on an annualized basis shall be transferred from the
23 State Lottery Operation Trust Fund to the Education Innovation

1 Fund, the Nebraska Scholarship Fund, the Nebraska Environmental
2 Trust Fund, the Nebraska State Fair Board, and the Compulsive
3 Gamblers Assistance Fund, except that the dollar amount transferred
4 shall not be less than the dollar amount transferred to the funds
5 in fiscal year 2002-03.

6 (b) On and after July 1, 2009, at least twenty-five
7 percent of the dollar amount of the lottery tickets which have been
8 sold on an annualized basis shall be transferred from the State
9 Lottery Operation Trust Fund to the Education Innovation Fund,
10 the Nebraska Scholarship Fund, the Nebraska Environmental Trust
11 Fund, the Nebraska State Fair Board, and the Compulsive Gamblers
12 Assistance Fund.

13 (3) Of the money available to be transferred to the
14 Education Innovation Fund, the Nebraska Scholarship Fund, the
15 Nebraska Environmental Trust Fund, the Nebraska State Fair Board,
16 and the Compulsive Gamblers Assistance Fund:

17 (a) The first five hundred thousand dollars shall be
18 transferred to the Compulsive Gamblers Assistance Fund to be used
19 as provided in section 71-817;

20 (b) Nineteen and three-fourths percent of the money
21 remaining after the payment of prizes and operating expenses and
22 the initial transfer to the Compulsive Gamblers Assistance Fund
23 shall be transferred to the Education Innovation Fund;

24 (c) Twenty-four and three-fourths percent of the money
25 remaining after the payment of prizes and operating expenses and
26 the initial transfer to the Compulsive Gamblers Assistance Fund
27 shall be transferred to the Nebraska Scholarship Fund;

1 (d) Forty-four and one-half percent of the money
2 remaining after the payment of prizes and operating expenses and
3 the initial transfer to the Compulsive Gamblers Assistance Fund
4 shall be transferred to the Nebraska Environmental Trust Fund to be
5 used as provided in the Nebraska Environmental Trust Act;

6 (e) Ten percent of the money remaining after the payment
7 of prizes and operating expenses and the initial transfer to
8 the Compulsive Gamblers Assistance Fund shall be transferred to
9 the Nebraska State Fair Board if the most populous city within
10 the county in which the fair is located provides matching funds
11 equivalent to ten percent of the funds available for transfer. Such
12 matching funds may be obtained from the city and any other private
13 or public entity, except that no portion of such matching funds
14 shall be provided by the state. If the Nebraska State Fair ceases
15 operations, ten percent of the money remaining after the payment
16 of prizes and operating expenses and the initial transfer to the
17 Compulsive Gamblers Assistance Fund shall be transferred to the
18 General Fund; and

19 (f) One percent of the money remaining after the payment
20 of prizes and operating expenses and the initial transfer to the
21 Compulsive Gamblers Assistance Fund shall be transferred to the
22 Compulsive Gamblers Assistance Fund to be used as provided in
23 section 71-817.

24 (4) (a) The Education Innovation Fund is created. At least
25 seventy-five percent of the lottery proceeds allocated to the
26 Education Innovation Fund shall be available for disbursement.

27 (b) For fiscal year 2005-06, the Education Innovation

1 Fund shall be allocated as follows: The first one million dollars
2 shall be transferred to the School District Reorganization Fund,
3 and the remaining amount shall be allocated to the General Fund
4 after operating expenses for the Excellence in Education Council
5 are deducted.

6 (c) For fiscal year 2006-07, the Education Innovation
7 Fund shall be allocated as follows: The first two hundred fifty
8 thousand dollars shall be transferred to the Attracting Excellence
9 to Teaching Program Cash Fund to fund the Attracting Excellence
10 to Teaching Program Act, the next one million dollars shall
11 be transferred to the School District Reorganization Fund, and
12 the amount remaining in the Education Innovation Fund shall be
13 allocated, after administrative expenses, for distance education
14 equipment and incentives pursuant to sections 79-1336 and 79-1337.

15 (d) For fiscal year 2007-08, the Education Innovation
16 Fund shall be allocated as follows: The first five hundred thousand
17 dollars shall be transferred to the Attracting Excellence to
18 Teaching Program Cash Fund to fund the Attracting Excellence to
19 Teaching Program Act, and the amount remaining in the Education
20 Innovation Fund shall be allocated, after administrative expenses,
21 for distance education equipment and incentives pursuant to
22 sections 79-1336 and 79-1337.

23 (e) For fiscal year 2008-09, the Education Innovation
24 Fund shall be allocated as follows: The first seven hundred
25 fifty thousand dollars shall be transferred to the Attracting
26 Excellence to Teaching Program Cash Fund to fund the Attracting
27 Excellence to Teaching Program Act, and the amount remaining in the

1 Education Innovation Fund shall be allocated, after administrative
2 expenses, for distance education equipment and incentives pursuant
3 to sections 79-1336 and 79-1337.

4 (f) For fiscal ~~years~~ year 2009-10, the Education
5 Innovation Fund shall be allocated as follows: Any amounts
6 transferred to the Education Innovation Fund from the School
7 District Reorganization Fund shall be returned to the School
8 District Reorganization Fund first, the next one million dollars
9 shall be transferred to the Attracting Excellence to Teaching
10 Program Cash Fund to fund the Attracting Excellence to Teaching
11 Program Act, and the amount remaining in the Education Innovation
12 Fund shall be allocated, after administrative expenses, for
13 distance education equipment and incentives pursuant to sections
14 79-1336 and 79-1337.

15 (g) For fiscal year 2010-11 through 2015-16, the
16 Education Innovation Fund shall be allocated as follows: The
17 first one million dollars shall be transferred to the Attracting
18 Excellence to Teaching Program Cash Fund to fund the Attracting
19 Excellence to Teaching Program Act, and the amount remaining in the
20 Education Innovation Fund shall be allocated, after administrative
21 expenses, for distance education equipment and incentives pursuant
22 to sections 79-1336 and 79-1337.

23 ~~(g)~~ (h) For fiscal year 2016-17 and each fiscal year
24 thereafter, the Education Innovation Fund shall be allocated, after
25 administrative expenses, for education purposes as provided by the
26 Legislature.

27 (5) Any money in the State Lottery Operation Trust

1 Fund, the State Lottery Operation Cash Fund, the State Lottery
2 Prize Trust Fund, or the Education Innovation Fund available
3 for investment shall be invested by the state investment officer
4 pursuant to the Nebraska Capital Expansion Act and the Nebraska
5 State Funds Investment Act.

6 (6) Unclaimed prize money on a winning lottery ticket
7 shall be retained for a period of time prescribed by rules and
8 regulations. If no claim is made within such period, the prize
9 money shall be used at the discretion of the Tax Commissioner for
10 any of the purposes prescribed in this section.

11 Sec. 2. Section 77-3446, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 77-3446 Base limitation means the budget limitation rate
14 applicable to school districts and the limitation on growth of
15 restricted funds applicable to other political subdivisions prior
16 to any increases in the rate as a result of special actions
17 taken by a supermajority of any governing board or of any
18 exception allowed by law. The base limitation is two and one-half
19 percent until adjusted, except that the base limitation for school
20 districts for school fiscal years ~~2003-04 and 2004-05 is zero.~~
21 2009-10 through 2012-13 is one and one-half percent. The base
22 limitation may be adjusted annually by the Legislature to reflect
23 changes in the prices of services and products used by school
24 districts and political subdivisions.

25 Sec. 3. Section 79-1001, Reissue Revised Statutes of
26 Nebraska, is amended to read:

27 79-1001 Sections 79-1001 to 79-1033 and sections 16 and

1 17 of this act shall be known and may be cited as the Tax Equity
2 and Educational Opportunities Support Act.

3 Sec. 4. Section 79-1003, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 79-1003 For purposes of the Tax Equity and Educational
6 Opportunities Support Act:

7 (1) Adjusted general fund operating expenditures means

8 (a) for school fiscal years before school fiscal year 2007-08,
9 general fund operating expenditures as calculated pursuant to

10 subdivision (21) of this section minus the transportation allowance
11 and minus the special receipts allowance, (b) for school fiscal

12 year 2007-08, general fund operating expenditures as calculated
13 pursuant to subdivision (21) of this section minus the sum of

14 the transportation, special receipts, and distance education
15 and telecommunications allowances, (c) for school fiscal year

16 2008-09, the difference of the product of the general fund
17 operating expenditures as calculated pursuant to subdivision (21)

18 of this section multiplied by the cost growth factor calculated
19 pursuant to section 79-1007.10 minus the transportation allowance,

20 special receipts allowance, poverty allowance, limited English
21 proficiency allowance, distance education and telecommunications

22 allowance, elementary site allowance, elementary class size
23 allowance, summer school allowance, and focus school and program

24 allowance, (d) for school fiscal years 2009-10 through 2012-13,
25 the difference of the product of the general fund operating

26 expenditures as calculated pursuant to subdivision (21) of this
27 section multiplied by the cost growth factor calculated pursuant

1 to section 79-1007.10 minus the transportation allowance, special
2 receipts allowance, poverty allowance, limited English proficiency
3 allowance, distance education and telecommunications allowance,
4 elementary site allowance, elementary class size allowance, summer
5 school allowance, instructional time allowance, and focus school
6 and program allowance, and (e) for school fiscal year 2013-14
7 and each school fiscal year thereafter, the difference of the
8 product of the general fund operating expenditures as calculated
9 pursuant to subdivision (21) of this section multiplied by the
10 cost growth factor calculated pursuant to section 79-1007.10
11 minus the transportation allowance, special receipts allowance,
12 poverty allowance, limited English proficiency allowance, distance
13 education and telecommunications allowance, elementary site
14 allowance, summer school allowance, instructional time allowance,
15 and focus school and program allowance;

16 (2) Adjusted valuation means the assessed valuation of
17 taxable property of each local system in the state, adjusted
18 pursuant to the adjustment factors described in section 79-1016.
19 Adjusted valuation means the adjusted valuation for the property
20 tax year ending during the school fiscal year immediately preceding
21 the school fiscal year in which the aid based upon that value is
22 to be paid. For purposes of determining the local effort rate yield
23 pursuant to section 79-1015.01, adjusted valuation does not include
24 the value of any property which a court, by a final judgment from
25 which no appeal is taken, has declared to be nontaxable or exempt
26 from taxation;

27 (3) Allocated income tax funds means the amount of

1 assistance paid to a local system pursuant to section 79-1005.01 or
2 79-1005.02 as adjusted by the minimum levy adjustment pursuant to
3 section 79-1008.02;

4 (4) Average daily attendance of a student who resides on
5 Indian land means average daily attendance of a student who resides
6 on Indian land from the most recent data available on November 1
7 preceding the school fiscal year in which aid is to be paid;

8 (5) Average daily membership means the average daily
9 membership for grades kindergarten through twelve attributable to
10 the local system, as provided in each district's annual statistical
11 summary, and includes the proportionate share of students enrolled
12 in a public school instructional program on less than a full-time
13 basis;

14 (6) Base fiscal year means the first school fiscal year
15 following the school fiscal year in which the reorganization or
16 unification occurred;

17 (7) Board means the school board of each school district;

18 (8) Categorical funds means funds limited to a specific
19 purpose by federal or state law, including, but not limited to,
20 Title I funds, Title VI funds, federal vocational education funds,
21 federal school lunch funds, Indian education funds, Head Start
22 funds, and funds from the Education Innovation Fund;

23 (9) Consolidate means to voluntarily reduce the number of
24 school districts providing education to a grade group and does not
25 include dissolution pursuant to section 79-498;

26 (10) Department means the State Department of Education;

27 (11) District means any Class I, II, III, IV, V, or VI

1 school district;

2 (12) Ensuing school fiscal year means the school fiscal
3 year following the current school fiscal year;

4 (13) Equalization aid means the amount of assistance
5 calculated to be paid to a local system pursuant to sections
6 79-1007.11 to 79-1007.23, 79-1008.01 to 79-1022, and 79-1022.02;

7 (14) Fall membership means the total membership in
8 kindergarten through grade twelve attributable to the local system
9 as reported on the fall school district membership reports for each
10 district pursuant to section 79-528;

11 (15) Fiscal year means the state fiscal year which is the
12 period from July 1 to the following June 30;

13 (16) Formula students means:

14 (a) For school fiscal years prior to school fiscal year
15 2008-09, (i) for state aid certified pursuant to section 79-1022,
16 the sum of fall membership from the school fiscal year immediately
17 preceding the school fiscal year in which the aid is to be paid,
18 multiplied by the average ratio of average daily membership to fall
19 membership for the second school fiscal year immediately preceding
20 the school fiscal year in which aid is to be paid and the prior
21 two school fiscal years, plus qualified early childhood education
22 fall membership plus tuitioned students from the school fiscal year
23 immediately preceding the school fiscal year in which the aid is
24 to be paid and (ii) for final calculation of state aid pursuant to
25 section 79-1065, the sum of average daily membership plus qualified
26 early childhood education average daily membership plus tuitioned
27 students from the school fiscal year immediately preceding the

1 school fiscal year in which the aid was paid; and

2 (b) For school fiscal year 2008-09 and each school fiscal
3 year thereafter, (i) for state aid certified pursuant to section
4 79-1022, the sum of the product of fall membership from the school
5 fiscal year immediately preceding the school fiscal year in which
6 the aid is to be paid multiplied by the average ratio of average
7 daily membership to fall membership for the second school fiscal
8 year immediately preceding the school fiscal year in which the aid
9 is to be paid and the prior two school fiscal years plus sixty
10 percent of the qualified early childhood education fall membership
11 plus tuitioned students from the school fiscal year immediately
12 preceding the school fiscal year in which aid is to be paid minus
13 the product of the number of students enrolled in kindergarten that
14 is not full-day kindergarten from the fall membership multiplied by
15 0.5 and (ii) for final calculation of state aid pursuant to section
16 79-1065, the sum of average daily membership plus sixty percent of
17 the qualified early childhood education average daily membership
18 plus tuitioned students minus the product of the number of students
19 enrolled in kindergarten that is not full-day kindergarten from the
20 average daily membership multiplied by 0.5 from the school fiscal
21 year immediately preceding the school fiscal year in which aid was
22 paid;

23 (17) Free lunch and free milk student means a student
24 who qualified for free lunches or free milk from the most recent
25 data available on November 1 of the school fiscal year immediately
26 preceding the school fiscal year in which aid is to be paid;

27 (18) Full-day kindergarten means kindergarten offered by

1 a district for at least one thousand thirty-two instructional
2 hours;

3 (19) General fund budget of expenditures means the total
4 budget of disbursements and transfers for general fund purposes as
5 certified in the budget statement adopted pursuant to the Nebraska
6 Budget Act, except that for purposes of the limitation imposed in
7 section 79-1023 and the calculation pursuant to subdivision (2) of
8 section 79-1027.01, the general fund budget of expenditures does
9 not include any special grant funds, exclusive of local matching
10 funds, received by a district;

11 (20) General fund expenditures means all expenditures
12 from the general fund;

13 (21) General fund operating expenditures means:

14 (a) For state aid calculated for school fiscal years
15 prior to school fiscal year 2008-09, the total general fund
16 expenditures minus categorical funds, tuition paid, transportation
17 fees paid to other districts, adult education, summer school,
18 community services, redemption of the principal portion of general
19 fund debt service, retirement incentive plans, staff development
20 assistance, and transfers from other funds into the general fund
21 for the second school fiscal year immediately preceding the school
22 fiscal year in which aid is to be paid as reported on the annual
23 financial report prior to December 1 of the school fiscal year
24 immediately preceding the school fiscal year in which aid is to be
25 paid;

26 (b) For state aid calculated for school fiscal year
27 2008-09, as reported for the second school fiscal year immediately

1 preceding the school fiscal year in which aid is to be paid
2 on the annual financial report submitted prior to December
3 1 of the school fiscal year immediately preceding the school
4 fiscal year in which aid is to be paid, the total general
5 fund expenditures minus (i) the amount of all receipts to
6 the general fund, to the extent that such receipts are not
7 included in local system formula resources, from early childhood
8 education tuition, summer school tuition, educational entities as
9 defined in section 79-1201.01 for providing distance education
10 courses through the Educational Service Unit Coordinating Council
11 to such educational entities, private foundations, individuals,
12 associations, charitable organizations, the textbook loan program
13 authorized by section 79-734, and federal impact aid, (ii)
14 the amount of expenditures for categorical funds, tuition paid,
15 transportation fees paid to other districts, adult education,
16 community services, redemption of the principal portion of general
17 fund debt service, retirement incentive plans authorized by section
18 79-855, and staff development assistance authorized by section
19 79-856, and (iii) the amount of any transfers from the general fund
20 to any bond fund and transfers from other funds into the general
21 fund;

22 (c) For state aid calculated for school fiscal year
23 2009-10, as reported for the second school fiscal year immediately
24 preceding the school fiscal year in which aid is to be paid
25 on the annual financial report submitted prior to December
26 1 of the school fiscal year immediately preceding the school
27 fiscal year in which aid is to be paid, the total general

1 fund expenditures minus (i) the amount of all receipts to
2 the general fund, to the extent that such receipts are not
3 included in local system formula resources, from early childhood
4 education tuition, summer school tuition, educational entities as
5 defined in section 79-1201.01 for providing distance education
6 courses through the Educational Service Unit Coordinating Council
7 to such educational entities, private foundations, individuals,
8 associations, charitable organizations, the textbook loan program
9 authorized by section 79-734, and federal impact aid, (ii)
10 the amount of expenditures for categorical funds, tuition paid,
11 transportation fees paid to other districts, adult education,
12 community services, redemption of the principal portion of general
13 fund debt service, retirement incentive plans authorized by section
14 79-855, and staff development assistance authorized by section
15 79-856, (iii) the amount of any transfers from the general fund to
16 any bond fund and transfers from other funds into the general fund,
17 and (iv) any legal expenses in excess of fifteen-hundredths of one
18 percent of the formula need for the school fiscal year in which the
19 expenses occurred; and

20 (d) For state aid calculated for school fiscal year
21 2010-11 and each school fiscal year thereafter, as reported for
22 the second school fiscal year immediately preceding the school
23 fiscal year in which aid is to be paid on the annual financial
24 report submitted prior to December 1 of the school fiscal year
25 immediately preceding the school fiscal year in which aid is to be
26 paid, the total general fund expenditures minus (i) the amount of
27 all receipts to the general fund, to the extent that such receipts

1 are not included in local system formula resources, from early
2 childhood education tuition, summer school tuition, educational
3 entities as defined in section 79-1201.01 for providing distance
4 education courses through the Educational Service Unit Coordinating
5 Council to such educational entities, private foundations,
6 individuals, associations, charitable organizations, the textbook
7 loan program authorized by section 79-734, federal impact aid,
8 and levy override elections pursuant to section 77-3444, (ii)
9 the amount of expenditures for categorical funds, tuition paid,
10 transportation fees paid to other districts, adult education,
11 community services, redemption of the principal portion of general
12 fund debt service, retirement incentive plans authorized by section
13 79-855, and staff development assistance authorized by section
14 79-856, (iii) the amount of any transfers from the general fund to
15 any bond fund and transfers from other funds into the general fund,
16 ~~and~~ (iv) any legal expenses in excess of fifteen-hundredths of one
17 percent of the formula need for the school fiscal year in which
18 the expenses occurred, (v) expenditures to pay for sums agreed to
19 be paid by a school district to certificated employees in exchange
20 for a voluntary termination occurring prior to July 1, 2009, and
21 (vi) (A) expenditures in school fiscal years 2009-10 through 2013-14
22 to pay for employer contributions pursuant to subsection (2) of
23 section 79-958 to the School Retirement System of the State of
24 Nebraska to the extent that such expenditures exceed the employer
25 contributions under such subsection that would have been made at a
26 contribution rate of seven and thirty-five hundredths percent or
27 (B) expenditures in school fiscal years 2009-10 through 2013-14

1 to pay for school district contributions pursuant to subdivision
2 (1) (b) (i) of section 79-9,113 to the Class V School Employees
3 Retirement System to the extent that such expenditures exceed the
4 school district contributions under such subdivision that would
5 have been made at a contribution rate of seven and thirty-seven
6 hundredths percent.

7 For purposes of this subdivision (21) of this section,
8 receipts from levy override elections shall equal ninety-nine
9 percent of the difference of the total general fund levy minus
10 a levy of one dollar and five cents per one hundred dollars of
11 taxable valuation multiplied by the assessed valuation for school
12 districts that have voted pursuant to section 77-3444 to override
13 the maximum levy provided pursuant to section 77-3442;

14 (22) High school district means a school district
15 providing instruction in at least grades nine through twelve;

16 (23) Income tax liability means the amount of the
17 reported income tax liability for resident individuals pursuant
18 to the Nebraska Revenue Act of 1967 less all nonrefundable credits
19 earned and refunds made;

20 (24) Income tax receipts means the amount of income tax
21 collected pursuant to the Nebraska Revenue Act of 1967 less all
22 nonrefundable credits earned and refunds made;

23 (25) Limited English proficiency students means (a) for
24 school fiscal years prior to school fiscal year 2009-10, the number
25 of students with limited English proficiency in a district from
26 the most recent data available on November 1 of the school fiscal
27 year preceding the school fiscal year in which aid is to be paid

1 and (b) for school fiscal year 2009-10 and each school fiscal year
2 thereafter, the number of students with limited English proficiency
3 in a district from the most recent data available on November 1 of
4 the school fiscal year preceding the school fiscal year in which
5 aid is to be paid plus the difference of such students with limited
6 English proficiency minus the average number of limited English
7 proficiency students for such district, prior to such addition,
8 for the three immediately preceding school fiscal years if such
9 difference is greater than zero;

10 (26) Local system means a learning community, a unified
11 system, a Class VI district and the associated Class I districts,
12 or a Class II, III, IV, or V district and any affiliated Class
13 I districts or portions of Class I districts. The membership,
14 expenditures, and resources of Class I districts that are
15 affiliated with multiple high school districts will be attributed
16 to local systems based on the percent of the Class I valuation that
17 is affiliated with each high school district;

18 (27) Low-income child means (a) for school fiscal years
19 prior to 2008-09, a child under nineteen years of age living in
20 a household having an annual adjusted gross income of fifteen
21 thousand dollars or less for the second calendar year preceding
22 the beginning of the school fiscal year for which aid is being
23 calculated and (b) for school fiscal year 2008-09 and each school
24 fiscal year thereafter, a child under nineteen years of age living
25 in a household having an annual adjusted gross income for the
26 second calendar year preceding the beginning of the school fiscal
27 year for which aid is being calculated equal to or less than the

1 maximum household income that would allow a student from a family
2 of four people to be a free lunch and free milk student during the
3 school fiscal year immediately preceding the school fiscal year for
4 which aid is being calculated;

5 (28) Low-income students means the number of low-income
6 children within the district multiplied by the ratio of the formula
7 students in the district divided by the total children under
8 nineteen years of age residing in the district as derived from
9 income tax information;

10 (29) Most recently available complete data year means
11 the most recent single school fiscal year for which the annual
12 financial report, fall school district membership report, annual
13 statistical summary, Nebraska income tax liability by school
14 district for the calendar year in which the majority of the school
15 fiscal year falls, and adjusted valuation data are available;

16 (30) Poverty students means (a) for school fiscal years
17 prior to school fiscal year 2009-10, the number of low-income
18 students or the number of students who are free lunch and free milk
19 students in a district, whichever is greater, and (b) for school
20 fiscal year 2009-10 and each school fiscal year thereafter, the
21 number of low-income students or the number of students who are
22 free lunch and free milk students in a district plus the difference
23 of the number of low-income students or the number of students
24 who are free lunch and free milk students in a district, whichever
25 is greater, minus the average number of poverty students for
26 such district, prior to such addition, for the three immediately
27 preceding school fiscal years if such difference is greater than

1 zero;

2 (31) Qualified early childhood education average daily
3 membership means the product of the average daily membership for
4 school fiscal year 2006-07 and each school fiscal year thereafter
5 of students who will be eligible to attend kindergarten the
6 following school year and are enrolled in an early childhood
7 education program approved by the department pursuant to section
8 79-1103 for such school district for such school year multiplied by
9 the ratio of the actual instructional hours of the program divided
10 by one thousand thirty-two if: (a) The program is receiving a grant
11 pursuant to such section for the third year; (b) the program has
12 already received grants pursuant to such section for three years;
13 or (c) the program has been approved pursuant to subsection (5) of
14 section 79-1103 for such school year and the two preceding school
15 years, including any such students in portions of any of such
16 programs receiving an expansion grant;

17 (32) Qualified early childhood education fall membership
18 means the product of membership on the last Friday in September
19 2006 and each year thereafter of students who will be eligible
20 to attend kindergarten the following school year and are enrolled
21 in an early childhood education program approved by the department
22 pursuant to section 79-1103 for such school district for such
23 school year multiplied by the ratio of the planned instructional
24 hours of the program divided by one thousand thirty-two if: (a)
25 The program is receiving a grant pursuant to such section for the
26 third year; (b) the program has already received grants pursuant to
27 such section for three years; or (c) the program has been approved

1 pursuant to subsection (5) of section 79-1103 for such school year
2 and the two preceding school years, including any such students in
3 portions of any of such programs receiving an expansion grant;

4 (33) Regular route transportation means the
5 transportation of students on regularly scheduled daily routes to
6 and from the attendance center;

7 (34) Reorganized district means any district involved
8 in a consolidation and currently educating students following
9 consolidation;

10 (35) School year or school fiscal year means the fiscal
11 year of a school district as defined in section 79-1091;

12 (36) Sparse local system means a local system that is not
13 a very sparse local system but which meets the following criteria:

14 (a) (i) Less than two students per square mile in the
15 county in which each high school is located, based on the school
16 district census, (ii) less than one formula student per square
17 mile in the local system, and (iii) more than ten miles between
18 each high school attendance center and the next closest high school
19 attendance center on paved roads;

20 (b) (i) Less than one and one-half formula students per
21 square mile in the local system and (ii) more than fifteen miles
22 between each high school attendance center and the next closest
23 high school attendance center on paved roads;

24 (c) (i) Less than one and one-half formula students per
25 square mile in the local system and (ii) more than two hundred
26 seventy-five square miles in the local system; or

27 (d) (i) Less than two formula students per square mile in

1 the local system and (ii) the local system includes an area equal
2 to ninety-five percent or more of the square miles in the largest
3 county in which a high school attendance center is located in the
4 local system;

5 (37) Special education means specially designed
6 kindergarten through grade twelve instruction pursuant to section
7 79-1125, and includes special education transportation;

8 (38) Special grant funds means the budgeted receipts for
9 grants, including, but not limited to, Title I funds, Title VI
10 funds, funds from the Education Innovation Fund, reimbursements
11 for wards of the court, short-term borrowings including, but
12 not limited to, registered warrants and tax anticipation notes,
13 interfund loans, insurance settlements, and reimbursements to
14 county government for previous overpayment. The state board shall
15 approve a listing of grants that qualify as special grant funds;

16 (39) State aid means the amount of assistance paid to a
17 district pursuant to the Tax Equity and Educational Opportunities
18 Support Act;

19 (40) State board means the State Board of Education;

20 (41) State support means all funds provided to districts
21 by the State of Nebraska for the general fund support of elementary
22 and secondary education;

23 (42) Statewide average basic funding per formula student
24 means the statewide total basic funding for all districts divided
25 by the statewide total formula students for all districts;

26 (43) Statewide average general fund operating
27 expenditures per formula student means the statewide total

1 general fund operating expenditures for all districts divided by
2 the statewide total formula students for all districts;

3 (44) Teacher has the definition found in section 79-101;

4 (45) Temporary aid adjustment factor means (a) for school
5 fiscal years before school fiscal year 2007-08, one and one-fourth
6 percent of the sum of the local system's transportation allowance,
7 the local system's special receipts allowance, and the product
8 of the local system's adjusted formula students multiplied by
9 the average formula cost per student in the local system's
10 cost grouping and (b) for school fiscal year 2007-08, one and
11 one-fourth percent of the sum of the local system's transportation
12 allowance, special receipts allowance, and distance education and
13 telecommunications allowance and the product of the local system's
14 adjusted formula students multiplied by the average formula cost
15 per student in the local system's cost grouping;

16 (46) Tuitioned students means students in kindergarten
17 through grade twelve of the district whose tuition is paid by the
18 district to some other district or education agency; and

19 (47) Very sparse local system means a local system that
20 has:

21 (a) (i) Less than one-half student per square mile in
22 each county in which each high school attendance center is located
23 based on the school district census, (ii) less than one formula
24 student per square mile in the local system, and (iii) more than
25 fifteen miles between the high school attendance center and the
26 next closest high school attendance center on paved roads; or

27 (b) (i) More than four hundred fifty square miles in the

1 local system, (ii) less than one-half student per square mile in
2 the local system, and (iii) more than fifteen miles between each
3 high school attendance center and the next closest high school
4 attendance center on paved roads.

5 Sec. 5. Section 79-1007.07, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-1007.07 (1)(a) For school fiscal year 2007-08, the
8 annual financial report required pursuant to section 79-528 shall
9 include:

10 (i) The amount of federal funds received based on poverty
11 as defined by the federal program providing the funds; and

12 (ii) The expenditures and sources of funding for each
13 program related to poverty with a narrative description of the
14 program and the method used to allocate money to the program and
15 within the program.

16 (b) The department shall set up accounting codes for the
17 receipts and expenditures required to be reported on the annual
18 financial report pursuant to this subsection. The department shall
19 also determine for each school district an amount that shall
20 be deemed the poverty allowance for purposes of this section.
21 Such amount shall equal the adjustments to the weighted formula
22 students pursuant to subdivision (1)(c)(iii) of section 79-1007.01
23 multiplied by the average formula cost per student in the school
24 district's cost grouping.

25 (2)(a) For school fiscal year 2008-09 and each school
26 fiscal year thereafter, the annual financial report required
27 pursuant to section 79-528 shall include:

1 (i) The amount of the poverty allowance used in the
2 certification of state aid pursuant to section 79-1022 for such
3 school fiscal year;

4 (ii) The amount of federal funds received based on
5 poverty as defined by the federal program providing the funds;

6 (iii) The expenditures and sources of funding for each
7 program related to poverty with a narrative description of the
8 program, the method used to allocate money to the program and
9 within the program, and the program's relationship to the poverty
10 plan submitted pursuant to section 79-1013 for such school fiscal
11 year;

12 (iv) The expenditures and sources of funding for support
13 costs directly attributable to implementing the district's poverty
14 plan; and

15 (v) An explanation of how any required elements of the
16 poverty plan for such school fiscal year were met.

17 (b) The department shall set up accounting codes for the
18 receipts and expenditures required to be reported on the annual
19 financial report pursuant to this subsection.

20 (3) For school fiscal year 2009-10 and each school
21 fiscal year thereafter, the department shall determine the poverty
22 allowance expenditures using the reported expenditures on the
23 annual financial report for the most recently available complete
24 data year that would include in the poverty allowance expenditures
25 only those expenditures that were used to specifically address
26 issues related to the education of students living in poverty or
27 to the implementation of the poverty plan, that do not replace

1 expenditures that would have occurred if the students involved in
2 the program did not live in poverty, that are not included in
3 other allowances, and that are paid for with noncategorical funds
4 generated by state or local taxes or funds distributed through the
5 Tax Equity and Educational Opportunities Support Act pursuant to
6 the federal American Recovery and Reinvestment Act of 2009. The
7 department shall establish a procedure to allow school districts to
8 receive preapproval for categories of expenditures that could be
9 included in poverty allowance expenditures.

10 (4) For school fiscal year 2009-10 and each school fiscal
11 year thereafter, if the poverty allowance expenditures do not
12 equal 117.65 percent or more of the poverty allowance for the
13 most recently available complete data year, the department shall
14 calculate a poverty allowance correction. The poverty allowance
15 correction shall equal the poverty allowance minus eighty-five
16 percent of the poverty allowance expenditures. If the poverty
17 allowance expenditures do not equal fifty percent or more of the
18 allowance for such school fiscal year, the school district shall
19 also be disqualified from receiving a poverty allowance for the
20 school fiscal year for which aid is being calculated.

21 (5) For school fiscal year 2010-11 and each school fiscal
22 year thereafter, if the department determines that the school
23 district did not meet the required elements of the poverty plan
24 for the most recently available complete data year, the department
25 shall calculate a poverty allowance correction equal to fifty
26 percent of the poverty allowance for such school fiscal year and
27 the school district shall also be disqualified from receiving a

1 poverty allowance for the school fiscal year for which aid is being
2 calculated. Any poverty allowance correction calculated pursuant to
3 this subsection shall be added to any poverty allowance correction
4 calculated pursuant to subsection (4) of this section to arrive at
5 the total poverty allowance correction.

6 (6) The department may request additional information
7 from any school district to assist with calculations and
8 determinations pursuant to this section. If the school district
9 does not provide information upon the request of the department
10 pursuant to this section, the school district shall be disqualified
11 from receiving a poverty allowance for the school fiscal year for
12 which aid is being calculated.

13 (7) The department shall annually provide the Legislature
14 with a report containing a general description of the expenditures
15 and funding sources for programs related to poverty statewide and
16 specific descriptions of the expenditures and funding sources for
17 programs related to poverty for each school district.

18 (8) The state board shall establish a procedure for
19 appeal of decisions of the department to the state board for a
20 final determination.

21 Sec. 6. Section 79-1007.09, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-1007.09 (1)(a) For school fiscal year 2007-08, the
24 annual financial report required pursuant to section 79-528 shall
25 include:

26 (i) The amount of federal funds received based on
27 students who are limited English proficient as defined by the

1 federal program providing the funds; and

2 (ii) The expenditures and sources of funding for each
3 program related to limited English proficiency with a narrative
4 description of the program and the method used to allocate money to
5 the program and within the program.

6 (b) The department shall set up accounting codes for the
7 receipts and expenditures required to be reported on the annual
8 financial report pursuant to this subsection. The department shall
9 also determine for each school district an amount that shall
10 be deemed the limited English proficiency allowance for purposes
11 of this section. Such amount shall equal the adjustments to the
12 weighted formula students pursuant to subdivision (1)(c)(ii) of
13 section 79-1007.01 multiplied by the average formula cost per
14 student in the school district's cost grouping.

15 (2)(a) For school fiscal year 2008-09 and each school
16 fiscal year thereafter, the annual financial report required
17 pursuant to section 79-528 shall include:

18 (i) The amount of the limited English proficiency
19 allowance used in the certification of state aid pursuant to
20 section 79-1022 for such school fiscal year;

21 (ii) The amount of federal funds received based on
22 students who are limited English proficient as defined by the
23 federal program providing the funds;

24 (iii) The expenditures and sources of funding for each
25 program related to limited English proficiency with a narrative
26 description of the program, the method used to allocate money to
27 the program and within the program, and the program's relationship

1 to the limited English proficiency plan submitted pursuant to
2 section 79-1014 for such school fiscal year;

3 (iv) The expenditures and sources of funding for support
4 costs directly attributable to implementing the district's limited
5 English proficiency plan; and

6 (v) An explanation of how any required elements of the
7 limited English proficiency plan for such school fiscal year were
8 met.

9 (b) The department shall set up accounting codes for the
10 receipts and expenditures required to be reported on the annual
11 financial report pursuant to this subsection.

12 (3) For school fiscal year 2009-10 and each school fiscal
13 year thereafter, the department shall determine the limited English
14 proficiency allowance expenditures using the reported expenditures
15 on the annual financial report for the most recently available
16 complete data year that would only include in the limited English
17 proficiency allowance expenditures those expenditures that were
18 used to specifically address issues related to the education of
19 students with limited English proficiency or to the implementation
20 of the limited English proficiency plan, that do not replace
21 expenditures that would have occurred if the students involved
22 in the program did not have limited English proficiency, that
23 are not included in other allowances, and that are paid for
24 with noncategorical funds generated by state or local taxes
25 or funds distributed through the Tax Equity and Educational
26 Opportunities Support Act pursuant to the federal American Recovery
27 and Reinvestment Act of 2009. The department shall establish a

1 procedure to allow school districts to receive preapproval for
2 categories of expenditures that could be included in limited
3 English proficiency allowance expenditures.

4 (4) For school fiscal year 2009-10 and each school fiscal
5 year thereafter, if the limited English proficiency allowance
6 expenditures do not equal 117.65 percent or more of the limited
7 English proficiency allowance for the most recently available
8 complete data year, the department shall calculate a limited
9 English proficiency allowance correction. The limited English
10 proficiency allowance correction shall equal the limited English
11 proficiency allowance minus eighty-five percent of the limited
12 English proficiency allowance expenditures. If the limited English
13 proficiency allowance expenditures do not equal fifty percent or
14 more of the allowance for such school fiscal year, the school
15 district shall also be disqualified from receiving a limited
16 English proficiency allowance for the school fiscal year for which
17 aid is being calculated.

18 (5) For school fiscal year 2010-11 and each school fiscal
19 year thereafter, if the department determines that the school
20 district did not meet the required elements of the limited English
21 proficiency plan for the most recently available complete data
22 year, the department shall calculate a limited English proficiency
23 allowance correction equal to fifty percent of the limited English
24 proficiency allowance for such school fiscal year and the school
25 district shall also be disqualified from receiving a limited
26 English proficiency allowance for the school fiscal year for which
27 aid is being calculated. Any limited English proficiency allowance

1 correction calculated pursuant to this subsection shall be added
2 to any limited English proficiency allowance correction calculated
3 pursuant to subsection (4) of this section to arrive at the total
4 limited English proficiency allowance correction.

5 (6) The department may request additional information
6 from any school district to assist with calculations and
7 determinations pursuant to this section. If the school district
8 does not provide information upon the request of the department
9 pursuant to this section, the school district shall be disqualified
10 from receiving a limited English proficiency allowance for the
11 school fiscal year for which aid is being calculated.

12 (7) The department shall annually provide the Legislature
13 with a report containing a general description of the expenditures
14 and funding sources for programs related to limited English
15 proficiency statewide and specific descriptions of the expenditures
16 and funding sources for programs related to limited English
17 proficiency for each school district.

18 (8) The state board shall establish a procedure for
19 appeal of decisions of the department to the state board for a
20 final determination.

21 Sec. 7. Section 79-1007.10, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-1007.10 For state aid calculated for ~~school fiscal~~
24 ~~year 2008-09 and each school fiscal year thereafter,~~ all school
25 fiscal years except 2009-10 and 2010-11, the cost growth factor
26 shall equal the sum of: (1) One; plus (2) the basic allowable
27 growth rate pursuant to section 79-1025 for the school fiscal year

1 in which the aid is to be distributed; plus (3) the basic allowable
2 growth rate pursuant to section 79-1025 for the school fiscal year
3 immediately preceding the school fiscal year in which the aid is to
4 be distributed; plus (4) one percent.

5 For state aid calculated for school fiscal years 2009-10
6 and 2010-11, the cost growth factor shall equal one hundred six
7 percent.

8 Sec. 8. Section 79-1007.11, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-1007.11 (1) Except as otherwise provided in this
11 section, for school fiscal year 2008-09, each school district's
12 formula need shall equal the difference of the sum of the school
13 district's basic funding, poverty allowance, limited English
14 proficiency allowance, elementary class size allowance, focus
15 school and program allowance, summer school allowance, special
16 receipts allowance, transportation allowance, elementary site
17 allowance, distance education and telecommunications allowance,
18 averaging adjustment, and teacher education adjustment, minus
19 the sum of the limited English proficiency allowance correction,
20 poverty allowance correction, and local choice adjustment.

21 (2) Except as otherwise provided in this section, for
22 school fiscal years 2009-10 and 2010-11, each school district's
23 formula need shall equal the difference of the sum of the
24 school district's basic funding, poverty allowance, limited
25 English proficiency allowance, elementary class size allowance,
26 focus school and program allowance, summer school allowance,
27 special receipts allowance, transportation allowance, elementary

1 site allowance, instructional time allowance, distance education
2 and telecommunications allowance, averaging adjustment, teacher
3 education adjustment, new learning community transportation
4 adjustment, student growth adjustment, and new school adjustment,
5 minus the sum of the limited English proficiency allowance
6 correction, poverty allowance correction, and local choice
7 adjustment.

8 (3) Except as otherwise provided in this section, for
9 school fiscal years 2011-12 and 2012-13, each school district's
10 formula need shall equal the difference of the sum of the
11 school district's basic funding, poverty allowance, limited
12 English proficiency allowance, elementary class size allowance,
13 focus school and program allowance, summer school allowance,
14 special receipts allowance, transportation allowance, elementary
15 site allowance, instructional time allowance, distance education
16 and telecommunications allowance, averaging adjustment, teacher
17 education adjustment, new learning community transportation
18 adjustment, student growth adjustment, any positive student growth
19 adjustment correction, and new school adjustment, minus the sum
20 of the limited English proficiency allowance correction, poverty
21 allowance correction, any negative student growth adjustment
22 correction, and local choice adjustment.

23 (4) Except as otherwise provided in this section, for
24 school fiscal year 2013-14 and each school fiscal year thereafter,
25 each school district's formula need shall equal the difference of
26 the sum of the school district's basic funding, poverty allowance,
27 limited English proficiency allowance, focus school and program

1 allowance, summer school allowance, special receipts allowance,
2 transportation allowance, elementary site allowance, instructional
3 time allowance, distance education and telecommunications
4 allowance, averaging adjustment, teacher education adjustment,
5 new learning community transportation adjustment, student growth
6 adjustment, any positive student growth adjustment correction,
7 and new school adjustment, minus the sum of the limited English
8 proficiency allowance correction, poverty allowance correction, any
9 negative student growth adjustment correction, and local choice
10 adjustment.

11 (5) If the formula need calculated for a school district
12 pursuant to subsections (1) through (4) of this section is less
13 than one hundred percent of the formula need for such district
14 for the school fiscal year immediately preceding the school fiscal
15 year for which aid is being calculated, the formula need for such
16 district shall equal one hundred percent of the formula need for
17 such district for the school fiscal year immediately preceding the
18 school fiscal year for which aid is being calculated.

19 (6) Except as provided in subsection (8) of this section,
20 if ~~If~~ the formula need calculated for a school district pursuant
21 to subsections (1) through (4) of this section is more than one
22 hundred twelve percent of the formula need for such district for
23 the school fiscal year immediately preceding the school fiscal
24 year for which aid is being calculated, the formula need for such
25 district shall equal one hundred twelve percent of the formula
26 need for such district for the school fiscal year immediately
27 preceding the school fiscal year for which aid is being calculated,

1 except that the formula need shall not be reduced pursuant to
2 this subsection for any district (a) receiving a student growth
3 adjustment for the school fiscal year for which aid is being
4 calculated or (b) for school fiscal year 2008-09, for which
5 the formula students for the certification of aid pursuant to
6 section 79-1022 for school fiscal year 2008-09 minus the formula
7 students for the certification of aid pursuant to section 79-1022
8 for school fiscal year 2007-08 equals at least the greater of
9 twenty-five students or one percent of the formula students for the
10 certification of aid pursuant to section 79-1022 for school fiscal
11 year 2007-08.

12 (7) For purposes of this subsection, subsections (5) and
13 (6) of this section, the formula need for the school fiscal year
14 immediately preceding the school fiscal year for which aid is being
15 calculated shall be the formula need used in the final calculation
16 of aid pursuant to section 79-1065 and for districts that were
17 affected by a reorganization with an effective date in the calendar
18 year preceding the calendar year in which aid is certified for the
19 school fiscal year for which aid is being calculated, the formula
20 need for the school fiscal year immediately preceding the school
21 fiscal year for which aid is being calculated shall be attributed
22 to the affected school districts based on information provided to
23 the department by the school districts or proportionally based on
24 the adjusted valuation transferred if sufficient information has
25 not been provided to the department.

26 (8) For state aid calculated for the first full school
27 fiscal year of a new learning community, if the formula need

1 calculated for a member school district pursuant to subsections
2 (1) through (5) of this section is less than the sum of the
3 school district's state aid certified for the school fiscal year
4 immediately preceding the first full school fiscal year of the
5 learning community plus the school district's other actual receipts
6 included in local system formula resources pursuant to section
7 79-1018.01 for such school fiscal year plus the product of the
8 school district's general fund levy for such school fiscal year up
9 to one dollar and five cents multiplied by the school district's
10 assessed valuation for such school fiscal year, the formula need
11 for such school district for the school fiscal year for which aid
12 is being calculated shall equal such sum.

13 Sec. 9. Section 79-1007.18, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-1007.18 (1) For school fiscal year ~~2008-09~~ and each
16 ~~school fiscal year thereafter, years 2008-09 through 2011-12,~~ the
17 department shall calculate an averaging adjustment for districts if
18 the basic funding per formula student is less than the statewide
19 average basic funding per formula student and the general fund
20 levy for the school fiscal year immediately preceding the school
21 fiscal year for which aid is being calculated was at least
22 ninety-six cents per one hundred dollars of taxable valuation
23 for aid calculated for school fiscal year 2008-09 and at least
24 one dollar per one hundred dollars of taxable valuation for
25 aid calculated for school fiscal year ~~2009-10~~ and each school
26 ~~fiscal year thereafter. years 2009-10, 2010-11, and 2011-12.~~ For
27 school districts that are members of a learning community, the

1 general fund levy for purposes of this section includes both the
2 common general fund levy and the school district general fund
3 levy authorized pursuant to subdivisions (2)(b) and (2)(c) of
4 section 77-3442. The averaging adjustment for aid calculated for
5 school fiscal year ~~2008-09~~ years 2008-09 and 2009-10 shall equal
6 seventy-five percent of the product of the district's formula
7 students multiplied by the percentage specified in this section for
8 such district of the difference between the statewide average basic
9 funding per formula student minus such district's basic funding per
10 formula student. The averaging adjustment for aid calculated for
11 school fiscal year ~~2009-10~~ and each school fiscal year thereafter
12 years 2009-10 and 2010-11 shall equal fifty percent of the product
13 of the district's formula students multiplied by the percentage
14 specified in this section for such district of the difference
15 between the statewide average basic funding per formula student
16 minus such district's basic funding per formula student.

17 (2) The For school fiscal years 2008-09 through 2011-12,
18 the percentage to be used in the calculation of an averaging
19 adjustment shall be based on the general fund levy for the school
20 fiscal year immediately preceding the school fiscal year for which
21 aid is being calculated.

22 (3) The percentages to be used in the calculation of
23 averaging adjustments for school fiscal year 2008-09 shall be as
24 follows:

25 (a) If such levy was at least ninety-six cents per one
26 hundred dollars of taxable valuation but less than ninety-seven
27 cents per one hundred dollars of taxable valuation, the percentage

1 shall be ten percent;

2 (b) If such levy was at least ninety-seven cents per one
3 hundred dollars of taxable valuation but less than ninety-eight
4 cents per one hundred dollars of taxable valuation, the percentage
5 shall be twenty percent;

6 (c) If such levy was at least ninety-eight cents per
7 one hundred dollars of taxable valuation but less than ninety-nine
8 cents per one hundred dollars of taxable valuation, the percentage
9 shall be thirty percent;

10 (d) If such levy was at least ninety-nine cents per one
11 hundred dollars of taxable valuation but less than one dollar per
12 one hundred dollars of taxable valuation, the percentage shall be
13 forty percent;

14 (e) If such levy was at least one dollar per one hundred
15 dollars of taxable valuation but less than one dollar and one cent
16 per one hundred dollars of taxable valuation, the percentage shall
17 be fifty percent;

18 (f) If such levy was at least one dollar and one cent per
19 one hundred dollars of taxable valuation but less than one dollar
20 and two cents per one hundred dollars of taxable valuation, the
21 percentage shall be sixty percent;

22 (g) If such levy was at least one dollar and two
23 cents per one hundred dollars of taxable valuation but less than
24 one dollar and three cents per one hundred dollars of taxable
25 valuation, the percentage shall be seventy percent;

26 (h) If such levy was at least one dollar and three cents
27 per one hundred dollars of taxable valuation but less than one

1 dollar and four cents per one hundred dollars of taxable valuation,
2 the percentage shall be eighty percent; and

3 (i) If such levy was at least one dollar and four cents
4 per one hundred dollars of taxable valuation, the percentage shall
5 be ninety percent.

6 (4) The percentages to be used in the calculation of
7 averaging adjustments for school fiscal year 2009-10 ~~and each~~
8 ~~school fiscal year thereafter~~ shall be as follows:

9 (a) If such levy was at least one dollar per one hundred
10 dollars of taxable valuation but less than one dollar and one cent
11 per one hundred dollars of taxable valuation, the percentage shall
12 be fifty percent;

13 (b) If such levy was at least one dollar and one cent per
14 one hundred dollars of taxable valuation but less than one dollar
15 and two cents per one hundred dollars of taxable valuation, the
16 percentage shall be sixty percent;

17 (c) If such levy was at least one dollar and two
18 cents per one hundred dollars of taxable valuation but less than
19 one dollar and three cents per one hundred dollars of taxable
20 valuation, the percentage shall be seventy percent;

21 (d) If such levy was at least one dollar and three cents
22 per one hundred dollars of taxable valuation but less than one
23 dollar and four cents per one hundred dollars of taxable valuation,
24 the percentage shall be eighty percent; and

25 (e) If such levy was at least one dollar and four cents
26 per one hundred dollars of taxable valuation, the percentage shall
27 be ninety percent.

1 (5) The percentage to be used in the calculation of
2 averaging adjustments for school fiscal years 2010-11 and 2011-12
3 shall be fifty percent.

4 (6) For school fiscal year 2012-13 and each school
5 fiscal year thereafter, the department shall calculate an averaging
6 adjustment for districts if the basic funding per formula student
7 is less than ninety percent of the statewide average basic funding
8 per formula student and the general fund levy for the school fiscal
9 year immediately preceding the school fiscal year for which aid is
10 being calculated was at last one dollar per one hundred dollars
11 of taxable valuation. The averaging adjustment for such school
12 fiscal years shall equal the product of the district's formula
13 students multiplied by the difference between ninety percent of
14 the statewide average basic funding per formula student minus such
15 district's basic funding per formula student.

16 Sec. 10. Section 79-1007.23, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-1007.23 For state aid calculated for school fiscal
19 year 2009-10 and each school fiscal year thereafter:

20 (1) The department shall calculate an instructional time
21 allowance for each district equal to the product of the formula
22 students of such district multiplied by the instructional time
23 factor for such district multiplied by eighty-five percent of the
24 statewide average general fund operating expenditures per formula
25 student;

26 (2) The instructional time factor shall equal the
27 difference of the ratio of the district's average hours of

1 instruction for each full-time student during the regular school
2 year for the most recently available complete data year divided by:
3 (a) For state aid calculated for school fiscal year 2009-10, the
4 comparison group average hours of instruction for each full-time
5 student during the regular school year for the most recently
6 available complete data year minus one; or (b) for state aid
7 calculated for school fiscal year 2010-11 and each school fiscal
8 year thereafter the statewide average hours of instruction for
9 each full-time student during the regular school year for the most
10 recently available complete data year minus one, except that if
11 the result is less than zero, the instructional time factor shall
12 equal zero; and

13 (3) The department shall develop a form for determining
14 the district's average hours of instruction for each full-time
15 student. The comparison group average hours of instruction for each
16 full-time student shall be an average of the averages for the
17 all school districts in the comparison group. The average hours
18 of instruction shall be defined by the department and shall not
19 include extracurricular activities outside of the regular school
20 day or time designated for students to eat lunch. The statewide
21 average hours of instruction for each full-time student shall be an
22 average of the averages for all school districts.

23 Sec. 11. Section 79-1011, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-1011 (1) To encourage consolidation of Class II and
26 III school districts with less than three hundred ninety students,
27 incentives shall be paid to reorganized Class II, III, IV, or V

1 districts resulting from consolidations which meet the requirements
2 of this section. This section shall only apply to consolidations
3 with an effective date after May 31, ~~2005~~, 2009, and before June 1,
4 ~~2007~~, 2011.

5 (2) To qualify for incentive payments under this section,
6 the consolidation must be approved for incentive payments by
7 the State Committee for the Reorganization of School Districts.
8 Consolidating school districts shall file an application with the
9 state committee on or before June 15, 2009, or within thirty days
10 following the issuance of the boundary change order pursuant to
11 subsection (1) of section 79-479, whichever is later. The state
12 committee shall approve or disapprove incentive payments within
13 thirty days after receipt of the application.

14 (3) For incentive payments to be approved by the
15 state committee, a reorganization study, including efficiency,
16 demographic, curriculum, facility, financial, and community
17 components, must be completed prior to the reorganization. If
18 a study containing such elements is has been completed and the
19 study indicates that the reorganization will most likely result
20 in more efficiency in the delivery of educational services or
21 greater educational opportunities, the state committee may approve
22 incentive payments.

23 (4) Incentive payments shall be based on the number of
24 students moving from Class II or III school districts with less
25 than three hundred ninety students into a reorganized Class II,
26 III, IV, or V school district with at least three hundred ninety
27 students based on the average daily membership in each affected

1 district in the school fiscal year immediately preceding the first
2 school fiscal year the boundary change will be in effect and the
3 average daily membership the consolidated district would have had
4 following the boundary change if it had occurred in the school
5 fiscal year immediately preceding the first school fiscal year
6 the boundary change will be in effect. The ~~per-student~~ incentive
7 amount for each district involved in the reorganization having an
8 average daily membership of less than three hundred ninety students
9 shall equal ~~four~~ one hundred twenty-five thousand dollars ~~minus~~
10 plus the product of five hundred dollars per student multiplied by
11 the difference of three hundred ninety students minus the average
12 daily membership in such district, ~~multiplied by the ratio of three~~
13 ~~thousand divided by three hundred ninety.~~ The total incentives for
14 each such district shall equal the district's ~~per-student~~ incentive
15 amount multiplied by the district's average daily membership.

16 ~~(5)~~ For school fiscal years 2005-06 and 2006-07, one
17 million dollars shall be transferred from the Education Innovation
18 Fund to the School District Reorganization Fund pursuant to section
19 9-812.

20 ~~(6)~~ (5) Except as otherwise provided in this subsection,
21 base fiscal year incentive payments shall equal fifty percent of
22 the amount calculated pursuant to subsection (4) of this section.
23 Base fiscal year incentive payments shall be calculated as of
24 August 2 immediately preceding the base fiscal year and shall be
25 paid directly to the reorganized district from the School District
26 Reorganization Fund pursuant to subsection ~~(5)~~ (6) of this section.
27 The payments shall be made in ten as nearly as possible equal

1 payments on the last business day of each month, beginning in
2 September and ending the following June, for the base fiscal year.
3 If the total amount of base fiscal year incentive payments for
4 that school fiscal year exceeds the amount in the School District
5 Reorganization Fund, the base fiscal year incentive payments shall
6 be reduced proportionately so that the total amount of base fiscal
7 year incentive payments equals the amount ~~in the fund.~~ of funds
8 so appropriated. The base fiscal year incentive payments shall not
9 be included in local system formula resources as calculated under
10 section 79-1018.01.

11 ~~(7)~~ (6) The amount calculated pursuant to subsection (4)
12 of this section minus the amount of base fiscal year incentive
13 payments pursuant to subsection ~~(6)~~ (5) of this section shall
14 be paid out of any remaining funds in the School District
15 Reorganization Fund after base fiscal year incentive payments.
16 If the total amount of second-year incentive payments exceeds
17 the remaining funds, the second-year incentive payments shall be
18 reduced proportionately so that the total amount of second-year
19 incentive payments equals the amount in the fund. Second-year
20 incentive payments shall not be included in local system formula
21 resources as calculated pursuant to section 79-1018.01. included
22 in the distribution of state aid for the first school fiscal year
23 following the base fiscal year.

24 Sec. 12. Section 79-1012, Reissue Revised Statutes of
25 Nebraska, is amended to read:

26 79-1012 The School District Reorganization Fund is
27 created. The fund shall be administered by the department. The fund

1 shall consist of money transferred from the Education Innovation
2 Fund and shall be used to provide payments to reorganized school
3 districts pursuant to section 79-1011, through June 30, 2008, and
4 to provide temporary funding for aggregation routing equipment
5 and network transport costs for Network Nebraska pursuant to
6 section 86-5,101 through June 30, 2010. Any money in excess of
7 the difference of two hundred thousand dollars minus any amount
8 previously used to provide temporary funding for aggregation
9 routing equipment and network transport costs for Network Nebraska
10 pursuant to section 86-5,101 remaining in the fund on July 1,
11 2008, shall be transferred to the Education Innovation Fund on such
12 date. Any money remaining in the School District Reorganization
13 Fund on July 1, 2010, 2013, shall be transferred to the Education
14 Innovation Fund on such date. Any money in the School District
15 Reorganization Fund available for investment shall be invested
16 by the state investment officer pursuant to the Nebraska Capital
17 Expansion Act and the Nebraska State Funds Investment Act.

18 Sec. 13. Section 79-1017.01, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 79-1017.01 Local system formula resources includes
21 retirement aid determined under section 17 of this act, allocated
22 income tax funds determined for each such district pursuant to the
23 provisions of section 79-1005.01 or 79-1005.02, and adjustments
24 pursuant to section 79-1008.02.

25 Sec. 14. Section 79-1023, Reissue Revised Statutes of
26 Nebraska, as amended by section 2, Legislative Bill 548, One
27 Hundred First Legislature, First Session, 2009, is amended to read:

1 79-1023 (1) On or before June 1, 2009, and on or before
2 February 1 of each year thereafter, the department shall determine
3 and certify to each school district the maximum general fund budget
4 of expenditures minus the special education budget of expenditures
5 for the immediately following school fiscal year.

6 ~~(2) For school fiscal years prior to 2008-09, no Class~~
7 ~~II, III, IV, V, or VI district shall increase its general fund~~
8 ~~budget of expenditures more than the local system's applicable~~
9 ~~allowable growth rate.~~

10 ~~(3) For school fiscal year 2008-09 and each school~~
11 ~~fiscal year thereafter, except (2) Except as provided in section~~
12 79-1028.01, no school district shall have a general fund budget of
13 expenditures minus special grant funds and the special education
14 budget of expenditures more than the greater of (a) the product
15 of the difference of the general fund budget of expenditures
16 minus special grant funds and the special education budget of
17 expenditures for the immediately preceding school fiscal year
18 multiplied by the sum of one plus the local system's applicable
19 allowable growth rate or (b) except as otherwise provided in
20 subdivision (b)(ii) of this subsection, (i) the difference of one
21 hundred twenty percent of formula need for such school fiscal year
22 minus the product of the sum of one plus the basic allowable
23 growth rate for such school fiscal year multiplied by the special
24 education budget of expenditures as filed on the school district
25 budget statement on or before September 20 for the immediately
26 preceding school fiscal year or (ii) for school fiscal years
27 2009-10 and 2010-11, the difference of one hundred sixteen and

1 fifteen-hundredths percent of formula need for such school fiscal
2 year minus the product of the sum of one plus the basic allowable
3 growth rate for such school fiscal year multiplied by the special
4 education budget of expenditures as filed on the school district
5 budget statement on or before September 20 for the immediately
6 preceding school fiscal year.

7 Sec. 15. Section 79-1028.01, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 79-1028.01 (1) For school fiscal year 2008-09 and each
10 school fiscal year thereafter, a school district may exceed its
11 maximum general fund budget of expenditures minus the special
12 education budget of expenditures by a specific dollar amount for:

13 ~~(1)~~ (a) Expenditures for repairs to infrastructure
14 damaged by a natural disaster which is declared a disaster
15 emergency pursuant to the Emergency Management Act;

16 ~~(2)~~ (b) Expenditures for judgments, except judgments
17 or orders from the Commission of Industrial Relations, obtained
18 against a school district which require or obligate a school
19 district to pay such judgment, to the extent such judgment is not
20 paid by liability insurance coverage of a school district;

21 ~~(3)~~ (c) Expenditures pursuant to the Retirement Incentive
22 Plan authorized in section 79-855 or the Staff Development
23 Assistance authorized in section 79-856;

24 ~~(4)~~ (d) Expenditures of incentive payments or base fiscal
25 year incentive payments to be received in such school fiscal year
26 pursuant to section 79-1011;

27 ~~(5)~~ (e) Expenditures of amounts received from educational

1 entities as defined in section 79-1201.01 for providing distance
2 education courses through the Educational Service Unit Coordinating
3 Council to such educational entities;

4 ~~(6)~~ (f) Either ~~(a)~~ (i) the first and second school fiscal
5 years the district will be participating in Network Nebraska for
6 the full school fiscal year or ~~(b)~~ (ii) school fiscal year 2008-09,
7 if the school district participated in Network Nebraska for all of
8 school fiscal year 2007-08, for the difference of the estimated
9 expenditures for such school fiscal year for telecommunications
10 services, access to data transmission networks that transmit data
11 to and from the school district, and the transmission of data on
12 such networks as such expenditures are defined by the department
13 for purposes of the distance education and telecommunications
14 allowance minus the dollar amount of such expenditures for the
15 second school fiscal year preceding the first full school fiscal
16 year the district participates in Network Nebraska; and

17 ~~(7)~~ (g) Expenditures to pay another school district for
18 the transfer of land from such other school district;—

19 (h) Expenditures in school fiscal years 2009-10 through
20 2013-14 to pay for employer contributions pursuant to subsection
21 (2) of section 79-958 to the School Retirement System of the
22 State of Nebraska to the extent that such expenditures exceed the
23 employer contributions under such subsection that would have been
24 made at a contribution rate of seven and thirty-five hundredths
25 percent; and

26 (i) Expenditures in school fiscal years 2009-10 through
27 2013-14 to pay for school district contributions pursuant to

1 subdivision (1)(b)(i) of section 79-9,113 to the Class V School
2 Employees Retirement System to the extent that such expenditures
3 exceed the school district contributions under such subdivision
4 that would have been made at a contribution rate of seven and
5 thirty-seven hundredths percent.

6 (2) For school fiscal year 2009-10 and each school fiscal
7 year thereafter, a school district may exceed its maximum general
8 fund budget of expenditures minus the special education budget of
9 expenditures by a specific dollar amount for expenditures for sums
10 agreed to be paid by a school district to certificated employees
11 in exchange for a voluntary termination occurring prior to July 1,
12 2009.

13 (3) The state board shall approve, deny, or modify the
14 amount allowed for any exception to the maximum general fund budget
15 of expenditures minus the special education budget of expenditures
16 pursuant to this section.

17 Sec. 16. For each of school fiscal years 2009-10 and
18 2010-11, the American Recovery and Reinvestment Act percentage
19 shall equal the amount of funding from the federal American
20 Recovery and Reinvestment Act of 2009 to be distributed through
21 the Tax Equity and Educational Opportunities Support Act for
22 such school fiscal year divided by the total equalization aid
23 to be distributed pursuant to the Tax Equity and Educational
24 Opportunities Support Act for such school fiscal year. For
25 each school district, the American Recovery and Reinvestment Act
26 allocation shall equal the equalization aid to be distributed to
27 the school district for such school fiscal year multiplied by

1 the American Recovery and Reinvestment Act percentage for such
2 school fiscal year. Such allocation shall only be distributed to
3 the school district upon approval by the Governor based on an
4 application submitted by the school district and shall be accounted
5 for and spent by the school district in accordance with the
6 application and the federal American Recovery and Reinvestment Act
7 of 2009. Such allocation shall not be considered a special grant
8 fund and shall be considered state aid for all purposes except
9 as otherwise provided in this section and the federal American
10 Recovery and Reinvestment Act of 2009.

11 Sec. 17. For school fiscal years 2009-10 and 2010-11, an
12 amount calculated by the department shall be paid to each school
13 district as retirement aid equal to the product of thirty million
14 dollars multiplied by the school district's salary percentage. The
15 school district's salary percentage shall equal the total salary
16 reported by the school district on the annual financial report
17 for the most recently available complete data year divided by the
18 total salary reported by all school districts in the state on the
19 annual financial report for the most recently available complete
20 data year.

21 Sec. 18. Section 79-1073, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-1073 On or before September 1 for each year, each
24 learning community coordinating council shall determine the
25 expected amounts to be distributed to each member school district
26 from general fund property tax receipts pursuant to subdivision
27 (2) (b) of section 77-3442 and shall certify such amounts to each

1 member school district and the State Department of Education.
2 For the first three school fiscal years for which the learning
3 community levies a common general fund property tax for school
4 districts, such property tax receipts shall be divided among
5 member school districts proportionally based on the greater of (1)
6 the difference of the school district's formula need calculated
7 pursuant to the Tax Equity and Educational Opportunities Support
8 Act minus the sum of the state aid certified pursuant to section
9 79-1022 and the other actual receipts included in local system
10 formula resources pursuant to section 79-1018.01 for the school
11 fiscal year for which the distribution is being made or (2) the
12 difference of the sum of the state aid certified for the school
13 fiscal year immediately preceding the first school fiscal year for
14 which the learning community levies a common general fund property
15 tax for school districts plus the product of the school district's
16 general fund levy for such school fiscal year multiplied by the
17 assessed valuation for such school fiscal year minus the state
18 aid certified pursuant to section 79-1022 for the school fiscal
19 year for which the distribution is being made. Thereafter, such
20 Such property tax receipts shall be divided among member school
21 districts proportionally based on the difference of the school
22 district's formula need calculated pursuant to section 79-1007.11
23 minus the sum of the state aid certified pursuant to section
24 79-1022 and the other actual receipts included in local system
25 formula resources pursuant to section 79-1018.01 for the school
26 fiscal year for which the distribution is being made.

27 Each time a learning community coordinating council

1 distributes property tax receipts to member school districts,
2 the amount to be distributed to each district shall be proportional
3 based on the total amounts to be distributed to each member school
4 district for the school fiscal year.

5 Sec. 19. Section 79-10,110, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-10,110 (1) After making a determination that an actual
8 or potential environmental hazard or accessibility barrier exists,
9 that a life safety code violation exists, or that expenditures
10 are needed for indoor air quality or mold abatement and prevention
11 within the school buildings or grounds under its control, a school
12 board may make and deliver to the county clerk of such county
13 in which any part of the school district is situated, not later
14 than the date provided in section 13-508, an itemized estimate of
15 the amounts necessary to be expended for the abatement of such
16 environmental hazard, for accessibility barrier elimination, or for
17 modifications for life safety code violations, indoor air quality,
18 or mold abatement and prevention in such school buildings or
19 grounds. The board shall conduct a public hearing on the itemized
20 estimate prior to presenting such estimate to the county clerk.
21 Notice of the place and time of such hearing shall, at least five
22 days prior to the date set for hearing, be published in a newspaper
23 of general circulation within the school district. The board shall
24 designate the particular environmental hazard abatement project,
25 accessibility barrier elimination project, or modification for life
26 safety code violations, indoor air quality, or mold abatement and
27 prevention for which the tax levy provided for by this section will

1 be expended, the period of years, which shall not exceed ten years,
2 for which the tax will be levied for such project, and the amount
3 of the levy for each year of the period.

4 (2) After a public hearing, a school board may undertake
5 any qualified capital purpose in any qualified zone academy under
6 its control and may levy a tax as provided in this section to
7 repay a qualified zone academy bond issued for such undertaking.
8 The board shall designate the particular qualified capital purpose
9 for which the qualified zone academy bond was issued and for which
10 the tax levy provided for by this section will be expended, the
11 period of years, not exceeding fifteen, for which the tax will be
12 levied for such qualified zone academy bond, and the amount of the
13 levy for each year of the period. The hearing required by this
14 subsection shall be held only after notice of such hearing has been
15 published for three consecutive weeks prior to the hearing in a
16 legal newspaper published or of general circulation in the school
17 district.

18 (3) After a public hearing, a school board may undertake
19 construction of a new public school facility or the acquisition
20 of land on which such a facility is to be constructed or any
21 expansion, rehabilitation, modernization, renovation, or repair of
22 any existing school facilities under its control and may levy a tax
23 to repay any type or form of bond for such undertaking permitted
24 by the American Recovery and Reinvestment Act of 2009. The board
25 shall designate the particular project or projects for which the
26 bond will be issued and for which the tax levy provided by this
27 section will be expended, the period of years for which the tax

1 will be levied to repay such bond, not exceeding thirty years or
2 such other period of years for the type of bond as permitted by the
3 American Recovery and Reinvestment Act of 2009, and the amount of
4 the levy for each year of such period. Prior to the public hearing,
5 the school board shall prepare an itemized estimate of the amounts
6 necessary to be expended for the project or projects. The hearing
7 required by the subsection shall be held only after notice of such
8 hearing has been published for three consecutive weeks prior to the
9 hearing in a legal newspaper published or of general circulation in
10 the school district. The bond to be issued under this subsection
11 may consist of any type or form of bond permitted by the federal
12 American Recovery and Reinvestment Act of 2009.

13 ~~(3)~~ (4) The board may designate more than one project
14 under subsection (1) of this section, more than one ~~or~~ qualified
15 capital purpose under subsection (2) of this section, or more
16 than one American Recovery and Reinvestment Act of 2009 purpose
17 under subsection (3) of this section and levy a tax pursuant
18 to this section for each such project, ~~or~~ qualified capital
19 purpose, or American Recovery and Reinvestment Act of 2009
20 purpose, concurrently or consecutively, as the case may be, if
21 the aggregate levy in each year and the duration of each such
22 levy will not exceed the limitations specified in this section.
23 Each levy for a project, a ~~or~~ qualified capital purpose, or an
24 American Recovery and Reinvestment Act of 2009 purpose which is
25 authorized by this section may be imposed for such duration as the
26 board specifies, notwithstanding the contemporaneous existence or
27 subsequent imposition of any other levy for another project, ~~or~~

1 qualified capital purpose or American Recovery and Reinvestment
2 Act of 2009 purpose, imposed pursuant to this section and
3 notwithstanding the subsequent issuance by the district of bonded
4 indebtedness payable from its general fund levy.

5 ~~(4)~~ (5) The county clerk shall levy such taxes, not to
6 exceed five and one-fifth cents per one hundred dollars of taxable
7 valuation for Class II, III, IV, V, and VI districts, and not to
8 exceed the limits set for Class I districts in section 79-10,124,
9 on the taxable property of the district necessary to (a) cover the
10 environmental hazard abatement or accessibility barrier elimination
11 project costs or costs for modification for life safety code
12 violations, indoor air quality, or mold abatement and prevention
13 itemized by the board pursuant to subsection (1) of this section
14 and (b) repay any qualified zone academy bonds or American Recovery
15 and Reinvestment Act of 2009 bonds pursuant to subsection (2) or
16 (3) of this section. Such taxes shall be collected by the county
17 treasurer at the same time and in the same manner as county taxes
18 are collected and when collected shall be paid to the treasurer of
19 the district and used to cover the project costs.

20 ~~(5)~~ (6) If such board operates grades nine through
21 twelve as part of an affiliated school system, it shall designate
22 the fraction of the project or undertaking to be conducted for
23 the benefit of grades nine through twelve. Such fraction shall
24 be raised by a levy placed upon all of the taxable value of
25 all taxable property in the affiliated school system pursuant to
26 subsection (2) of section 79-1075. The balance of the project or
27 undertaking to be conducted for the benefit of grades kindergarten

1 through eight shall be raised by a levy placed upon all of the
2 taxable value of all taxable property in the district which is
3 governed by such board. The combined rate for both levies in the
4 high school district, to be determined by such board, shall not
5 exceed five and one-fifth cents on each one hundred dollars of
6 taxable value.

7 ~~(6)~~ (7) Each board which submits an itemized estimate
8 shall establish an environmental hazard abatement and accessibility
9 barrier elimination project account, a life safety code
10 modification project account, an indoor air quality project
11 account, or a mold abatement and prevention project account, ~~and~~
12 each board which undertakes a qualified capital purpose shall
13 establish a qualified capital purpose undertaking account, within
14 the qualified capital purpose undertaking fund, and each board
15 which undertakes an American Recovery and Reinvestment Act of 2009
16 purpose shall establish an American Recovery and Reinvestment Act
17 of 2009 purpose undertaking account. Taxes collected pursuant to
18 this section shall be credited to the appropriate account to cover
19 the project or undertaking costs. Such estimates may be presented
20 to the county clerk and taxes levied accordingly.

21 ~~(7)~~ (8) For purposes of this section:

22 (a) Abatement includes, but is not limited to, any
23 inspection and testing regarding environmental hazards, any
24 maintenance to reduce, lessen, put an end to, diminish, moderate,
25 decrease, control, dispose of, or eliminate environmental hazards,
26 any removal or encapsulation of environmentally hazardous material
27 or property, any restoration or replacement of material or

1 property, any related architectural and engineering services, and
2 any other action to reduce or eliminate environmental hazards in
3 the school buildings or on the school grounds under the board's
4 control, except that abatement does not include the encapsulation
5 of any material containing more than one percent friable asbestos;

6 (b) Accessibility barrier means anything which impedes
7 entry into, exit from, or use of any building or facility by all
8 people;

9 (c) Accessibility barrier elimination includes, but is
10 not limited to, inspection for and removal of accessibility
11 barriers, maintenance to reduce, lessen, put an end to, diminish,
12 control, dispose of, or eliminate accessibility barriers, related
13 restoration or replacement of facilities or property, any related
14 architectural and engineering services, and any other action to
15 eliminate accessibility barriers in the school buildings or grounds
16 under the board's control;

17 (d) American Recovery and Reinvestment Act of 2009 bond
18 means any type or form of bond permitted by the American Recovery
19 and Reinvestment Act of 2009;

20 (e) American Recovery and Reinvestment Act of 2009
21 purpose means any construction of a new public school facility
22 or the acquisition of land on which such a facility is to
23 be constructed or any expansion, rehabilitation, modernization,
24 renovation, or repair of any existing school facilities financed in
25 whole or in part with an American Recovery and Reinvestment Act of
26 2009 bond;

27 ~~(d)~~ (f) Environmental hazard means any contamination of

1 the air, water, or land surface or subsurface caused by any
2 substance adversely affecting human health or safety if such
3 substance has been declared hazardous by a federal or state
4 statute, rule, or regulation;

5 ~~(e)~~ (g) Modification for indoor air quality includes, but
6 is not limited to, any inspection and testing regarding indoor
7 air quality, any maintenance to reduce, lessen, put an end to,
8 diminish, moderate, decrease, control, dispose of, or eliminate
9 indoor air quality problems, any restoration or replacement of
10 material or related architectural and engineering services, and any
11 other action to reduce or eliminate indoor air quality problems
12 or to enhance air quality conditions in new or existing school
13 buildings or on school grounds under the control of a school board;

14 ~~(f)~~ (h) Modification for life safety code violation
15 includes, but is not limited to, any inspection and testing
16 regarding life safety codes, any maintenance to reduce, lessen,
17 put an end to, diminish, moderate, decrease, control, dispose of,
18 or eliminate life safety hazards, any restoration or replacement
19 of material or property, any related architectural and engineering
20 services, and any other action to reduce or eliminate life safety
21 hazards in new or existing school buildings or on school grounds
22 under the control of a school board;

23 ~~(g)~~ (i) Modification for mold abatement and prevention
24 includes, but is not limited to, any inspection and testing
25 regarding mold abatement and prevention, any maintenance to reduce,
26 lessen, put an end to, diminish, moderate, decrease, control,
27 dispose of, or eliminate mold problems, any restoration or

1 replacement of material or related architectural and engineering
2 services, and any other action to reduce or eliminate mold problems
3 or to enhance air quality conditions in new or existing school
4 buildings or on school grounds under the control of a school board;

5 ~~(h)~~ (j) Qualified capital purpose means (i)
6 rehabilitating or repairing the public school facility in
7 which the qualified zone academy is established, ~~or~~ (ii) providing
8 equipment for use at such qualified zone academy, or (iii)
9 constructing school facilities for which a build America bond is
10 to be issued;

11 ~~(i)~~ (k) Qualified zone academy has the meaning found in
12 26 U.S.C. 1397E(d) (4), as such section existed on ~~April 6, 2001,~~
13 January 1, 2009;

14 ~~(j)~~ (l) Qualified zone academy allocation means the
15 allocation of the qualified zone academy bond limitation by the
16 State Department of Education to the qualified zone academies
17 pursuant to 26 U.S.C. 1397E(e) (2), as such section existed on ~~April~~
18 ~~6, 2001,~~ January 1, 2009; and

19 ~~(k)~~ (m) Qualified zone academy bond has the meaning found
20 in 26 U.S.C. 1397E(d) (1), as such section existed on ~~May 8, 2001,~~
21 January 1, 2009.

22 ~~(8)~~ (9) Accessibility barrier elimination project
23 costs includes, but is not limited to, inspection, maintenance,
24 accounting, emergency services, consultation, or any other action
25 to reduce or eliminate accessibility barriers.

26 ~~(9)~~ (10) For the purpose of paying amounts necessary
27 for the abatement of environmental hazards, accessibility barrier

1 elimination, or modifications for life safety code violations,
2 indoor air quality, ~~or~~ mold abatement and prevention, or for an
3 American Recovery and Reinvestment Act of 2009 purpose, the board
4 may borrow money, establish a sinking fund, and issue bonds and
5 other evidences of indebtedness of the district, which bonds and
6 other evidences of indebtedness shall be secured by and payable
7 from an irrevocable pledge by the district of amounts received in
8 respect of the tax levy provided for by this section and any other
9 funds of the district available therefor. Bonds and other evidences
10 of indebtedness issued by a district pursuant to this subsection
11 shall not constitute a general obligation of the district or be
12 payable from any portion of its general fund levy.

13 ~~(10)~~ (11) The total principal amount of bonds for
14 modifications to correct life safety code violations, for indoor
15 air quality problems, ~~or~~ for mold abatement and prevention, or for
16 an American Recovery and Reinvestment Act of 2009 purpose which
17 may be issued pursuant to this section shall not exceed the total
18 amount specified in the itemized estimate described in ~~subsection~~
19 ~~(1)~~ subsections (1) and (3) of this section.

20 ~~(11)~~ (12) The total principal amount of qualified zone
21 academy bonds which may be issued pursuant to this section for
22 qualified capital purposes with respect to a qualified zone academy
23 shall not exceed the qualified zone academy allocation granted
24 to the board by the department. The total amount that may be
25 financed by qualified zone academy bonds pursuant to this section
26 for qualified purposes with respect to a qualified zone academy
27 shall not exceed seven and one-half million dollars statewide in a

1 single year. In any year that the Nebraska qualified zone academy
2 allocations exceed seven and one-half million dollars for qualified
3 capital purposes to be financed with qualified zone academy bonds
4 issued pursuant to this section, (a) the department shall reduce
5 such allocations proportionally such that the statewide total for
6 such allocations equals seven and one-half million dollars and
7 (b) the difference between the Nebraska allocation and seven and
8 one-half million dollars shall be available to qualified zone
9 academies for requests that will be financed with qualified zone
10 academy bonds issued without the benefit of this section.

11 Nothing in this section directs the State Department of
12 Education to give any preference to allocation requests that will
13 be financed with qualified zone academy bonds issued pursuant to
14 this section.

15 (13) The State Department of Education shall establish
16 procedures for allocating bond authority to school boards as may be
17 necessary pursuant to an American Recovery and Reinvestment Act of
18 2009 bond.

19 Sec. 20. Original sections 9-812, 77-3446, 79-1001,
20 79-1003, 79-1007.07, 79-1007.09, 79-1007.10, 79-1007.11,
21 79-1007.18, 79-1007.23, 79-1011, 79-1012, 79-1017.01, 79-1028.01,
22 79-1073, and 79-10,110, Reissue Revised Statutes of Nebraska, and
23 section 79-1023, Reissue Revised Statutes of Nebraska, as amended
24 by section 2, Legislative Bill 548, One Hundred First Legislature,
25 First Session, 2009, are repealed.

26 Sec. 21. The following sections are outright repealed:
27 Sections 79-1015 and 86-5,101, Reissue Revised Statutes of

1 Nebraska.

2 Sec. 22. Since an emergency exists, this act takes effect

3 when passed and approved according to law.